



TEMPORARY

THE STATE OF NEVADA

PERMIT TO CHANGE THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Name of Permittee: CORTEZ JOINT VENTURE
Source: UNDERGROUND
Basin: CRESCENT VALLEY
Manner of Use: STOCKWATERING
Period of Use: ONE YEAR FROM DATE OF ISSUANCE
Priority Date: 06/23/2008

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This temporary permit to change the point of diversion, manner and place of use of a portion of the waters of an underground source as heretofore granted under Permit 77179 is issued subject to the terms and conditions imposed in said Permit 77179 and with the understanding that no other rights on the source will be affected by the change proposed herein. This well shall be equipped with a two (2) inch opening for measuring depth to water and totalizing meters must be installed and maintained in the discharge pipelines near the points of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meters must be installed before any use of the water begins. If the wells are flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030.

This temporary permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

This temporary permit is issued pursuant to the provisions of NRS 533.345 Section 2 and will expire 1 year after the approval of the permit at which time all rights herein granted shall revert to the right being changed by this temporary permit.

This temporary permit will allow the permittee to dewater the Cortez Hills mine area. The total water produced for both consumptive and non-consumptive dewatering purposes from this permit and all other active permits within the Cortez Hills Project Area is limited to 13,248 acre-feet annually.

The total combined consumptive use of water under Permit 24663, Certificate 7292; Permit 24664, Certificate 7293; Permit 46224, Certificate 12482; Permit 46225, Certificate 12483; Environmental Permits 58187E, 58188E, 58189E, 58190E, 58191E, 58192E, 58985E, Permits 59339, 59340, 64545, 75342, 76864, 77179 and Temporary Permits 81583T and 81584T in the Cortez Hills Project Area is limited to 1,035.4 acre-feet annually.

(Continued on Page 2)

Any water produced from this dewatering operation in excess of 1,035.4 acre-feet annually shall be returned to the Crescent Valley Groundwater Basin by infiltration galleries or injection wells. The design of the rapid infiltration basins or injection wells and the delivery system to these sites shall be submitted to the State Engineer for approval.

This temporary permit is issued subject to the provisions of State Engineer's Order No. 1189. The operator shall keep monthly records of the following:

- A. The total volume of water pumped from each diversion in acre-feet.
- B. The maximum flow rate from each diversion in cubic feet per second.
- C. The pumping water level from each well in feet above mean sea level.
- D. The volume of water consumptively used for mining and milling in acre-feet.
- E. The amount of water diverted to the infiltration or injection sites in acre-feet.
- F. The amount of water diverted to other consumptive uses, if any, in acre-feet.
- G. The amount of water lost through evaporation or other system losses project wide.
- H. A map and a description of all wells or other water diversions within the project area.

Failure to comply with any provision of Order 1189 or any other terms of this temporary permit will result in cancellation of this temporary permit.

The issuance of this temporary permit expires Permit 80584T.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 0.007 cubic feet per second or 5.0 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

N/A

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

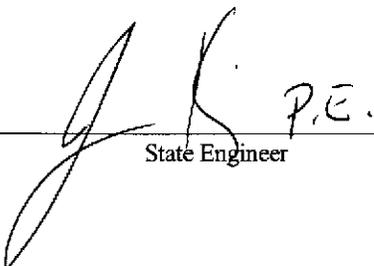
N/A

Map in support of proof of beneficial use shall be filed on or before:

N/A

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 22nd day of May, A.D. 2012



State Engineer

APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

THIS SPACE FOR OFFICE USE ONLY
Date of filing in State Engineer's Office FEB 14 2012
Returned to applicant for correction
Corrected application filed Map filed FEB 14 2012 under 81583T

The applicant CORTEZ JOINT VENTURE
HC66, Box 1250 of Crescent Valley
Nevada 89821-1250 hereby make(s) application for permission to change the

- Point of diversion, Place of use, Manner of use, of a portion

of water heretofore appropriated under (Identify existing rights by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree and identify right in Decree.)

Permit 77179, under State Engineer's Order 1189

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- 1. The source of water is Underground
2. The amount of water to be changed 0.0069 cfs not to exceed 5.0 AFA
3. The water to be used for Mining, Milling, and Dewatering - Stockwater Use
4. The water heretofore used for Mining, Milling, and Dewatering
5. The water is to be diverted at the following point

6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)
NW1/4NW1/4 Section 31, T. 27 N., R. 48 E., M.D.M. or at a point from which the NW corner of said Section 31 bears North 45° West, a distance of 250 feet. (Master Permit location under Order 1189)
Please use map on file under Application 77179 to support the existing Point of Diversion.

SK-LID

7. Proposed place of use (Describe by legal subdivisions. If for irrigation, state number of acres to be irrigated.)

Please refer to Attachment for Proposed Place of Use.

8. Existing place of use (Describe by legal subdivisions. If changing place of use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.)

T.27 N., R. 47 E., MDM: E½ Section 24, all of Sections 25 and 36;

T.27 N., R. 48 E., MDM: W½ Section 19, all of Sections 30 and 31;

T.26 N., R. 47 E., MDM: E½ Section 1, portions of Section 12;

T.26 N., R. 48 E., MDM: portions of Sections 6 and 7; all known as the Cortez Hills Project Area within Lander County and all within the Crescent Valley Hydrographic Basin. Please refer to supporting map on file under Application 77179.

9. Proposed use will be from January 1 to December 31 of each year.
Month and Day Month and Day

10. Existing use permitted from January 1 to December 31 of each year.
Month and Day Month and Day

11. Description of proposed works. (Under the provision of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) (State manner in which water is to be diverted, i.e., diversion structure, ditches, pipes and flumes or drilled well, pump and motor, etc.)

Drilled wells, pumps, motors, meters, conveyance works and facilities.

12. Estimated cost of works in excess of \$10,000,000

13. Estimated time required to construct works See Attached Well List

If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use 10 years

15. Provide a detailed description of the proposed project and its water usage (use attachments if necessary): (Failure to provide a detailed description may cause a delay in processing.)

This Application is filed in support of the Cortez Hills Mining Project and the Rules established under Order 1189. This Application reflects the projected 2012 stockwater pumpage from Cortez Hills. Please refer to the attached description of proposed pumpage.

16. Miscellaneous remarks:

Please refer to Attached Remarks.

rciwater@rci-nv.com

E-mail Address

775-883-1600

Phone No.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

Bruce R. Scott

Type or print name clearly

Signature, applicant or agent

Resource Concepts, Inc.

Company Name

340 North Minnesota Street

Street Address or PO Box

Carson City, NV 89703

City, State, ZIP Code

**ATTACHMENT TO TEMPORARY APPLICATIONS TO CHANGE
PERMIT 77179
PER STATE ENGINEER WELL SPACING ORDER 1189**

5. Proposed Points of Diversion:

State Engineer's Order 1189 requires the exact locations of all producing wells in the Cortez Hills Mine Area. There are currently 12 separate wells within the Cortez Hills project, as described by Sheet 2 of the accompanying supporting map, from which the water may be pumped in 2012. Records of actual pumpage from individual wells will be provided as required under the conditions of the Order.

Well	Qtr Qtr	Section	T.	R.	Bearing to NE Corner Sec.1, T26N., R47E., MDM	Distance
DW-08	SE¼NE¼	31	27N	48E	S. 58° 32' W.	5,918'
DW-13	NW¼SE¼	31	27N	48E	S. 67° 55' W.	3,870'
DW-14	NE¼SW¼	31	27N	48E	S. 46° 38' W.	2,588'
DW-15	SW¼SW¼	31	27N	48E	S. 34° 37' W.	1,600'
DW-16	SW¼NE¼	06	26N	48E	N. 67° 59' W.	3,483'
FLC-7	NE¼SW¼	31	27N	48E	S. 56° 00' W.	2,660'
FLC-8	NE¼SW¼	31	27N	48E	S. 58° 17' W.	2,778'
M1PW-01	SE¼NE¼	24	27N	47E	S. 01° 49' E.	14,079'
PPW-02	NW¼NE¼	06	26N	48E	N. 85° 47' W.	3,936'
PPW-03	SE¼NW¼	06	26N	48E	N. 62° 41' W.	2,792'
PPW-05	NW¼SE¼	31	27N	48E	S. 60° 22' W.	4,094'
					Bearing to SE Corner Sec.31, T27N., R48E., MDM	
DW-09	NE¼NE¼	31	27N	48E	S. 6° 48' E.	4,885'

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7. Proposed Place of Use:

T.26N., R.47E., MDM: Portion E $\frac{1}{2}$ Sec. 1 and Portion E $\frac{1}{2}$ Sec. 12 within Crescent Valley (Basin 054)

T.26N., R.48E., MDM: Portion Sec. 6 and Portion Sec. 7 within Crescent Valley (Basin 054)

T.27N., R.46E., MDM: W $\frac{1}{2}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 13; SW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 23; NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$ Sec.24; NW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$ Sec. 26

T.27N., R.47E., MDM: All Sec. 4, 5, and 6; E $\frac{1}{2}$ Sec. 7, All Sec. 8 and 9; E $\frac{1}{2}$, SW $\frac{1}{4}$ Sec. 18; N $\frac{1}{2}$, SW $\frac{1}{4}$ Sec. 19; E $\frac{1}{2}$ Sec. 24; All Sec. 25; SE $\frac{1}{4}$ Sec. 30; All Sec. 36

T.27N., R.48E., MDM: W $\frac{1}{2}$ Sec. 19, All Sec. 30 and 31

T.28N., R.47E., MDM: E $\frac{1}{2}$, SW $\frac{1}{4}$ Sec. 13; SE $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 15; SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 21; NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 22; E $\frac{1}{2}$ Sec. 27; NW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$ Sec. 28; S $\frac{1}{2}$ Sec. 29; SE $\frac{1}{4}$ Sec. 30; Lots 7, 8, 9, 10, E $\frac{1}{2}$ Sec. 31; All Sec. 32; SE $\frac{1}{4}$ Sec. 34; W $\frac{1}{2}$, SE $\frac{1}{4}$ Sec. 35

T.28N., R.48E., MDM: All Sec. 1, 3, 5, and 7; NE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ S $\frac{1}{2}$ Sec. 8; All Sec. 9, 11, and 13; N $\frac{1}{2}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ Sec. 14, All Sec. 15; W $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ Sec. 16; All Sec. 17; N $\frac{1}{2}$ N $\frac{1}{2}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$ Sec. 18; N $\frac{1}{2}$ NW $\frac{1}{4}$ Sec. 23

T.28N., R.49E., MDM: All Sec. 3, 7, 9 and 17

15: Project Description:

These Temporary Applications are being filed in accordance with State Engineer's Order 1189 dated June 4, 2008, to meet the annual temporary filing requirements as described under Rule #3 of said Order. In accordance with Rule #3 of the Order, these temporary applications are based on the total amount of water permitted under master Permit 77179, issued February 6, 2009.

2012 Projected Pumpage

The estimated Cortez Hills project total to be pumped in 2012 is 13,248 acre-feet under Permit 71779 and 480 acre-feet under Permits 79896 and 79897.

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16: Miscellaneous Remarks:

It is estimated that a total of 5 acre-feet will be used for stock watering at various locations within the Proposed Place of Use area described under Item 7, delivered either by pipeline or by truck hauling.

It is estimated that approximately 480 acre-feet under Permits 79876 and 79897 will be delivered through the cross-valley pipeline to irrigated acreage within the Proposed Place of Use (Item 7).

Accordingly, the following summarizes the estimated 2012 Cortez Hills dewatering pumpage:

1. Mining, milling, dewatering – Cortez Hills total pumpage	13,243 AF
2. Irrigation use under Permits 79896 and 79897:	480 AF
3. Stockwater Use:	<u>5 AF</u>
2012 Estimated Cortez Hills Use	13,728 AF

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